



Press Release

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LITTLE Rock, Ark. (May 19, 2011) – Parents throughout Arkansas are being encouraged to plan ahead for their children’s future higher education needs by contributing to a college savings account, according to an announcement at a news conference today by Gov. Mike Beebe, State Treasurer Martha Shoffner, and Department of Higher Education Interim Director Shane Broadway.

“Arkansas has improved scholarship programs and accessibility in recent years, but planning ahead remains the best way to make college an affordable option for students,” Governor Beebe said. “Saving early can give parents a break on their taxes and more security that their children will someday become college graduates.”

Gov. Beebe issued a proclamation that names May 29, 2011 as College Savings Awareness Day in Arkansas, part of a nationally coordinated effort by the College Savings Plan Network (CSPN) to raise the awareness of the benefits of state-sponsored, tax advantaged savings plans, known as Section 529 Plans after the authorizing regulations contained in Section 529 of the Internal Revenue Service Tax code.

Treasurer Shoffner briefly outlined the benefits of the state’s two 529 Plans, including tax-free earnings for authorized higher education expenses, a state tax deduction of up to \$10,000 for contributions to one of the state’s two plans, and a matching grant program designed to assist lower to moderate income Arkansans in jump-starting their children’s college savings.

“Now, more than ever, it is critical that families prepare financially for the education expenses they will face in the future to give their children the chance to excel,” said Shoffner, who serves as chairperson of the state’s three-member Section 529 Plan Review Committee, adding that the plans are “designed to help families save for college in a way that can help maximize those savings and make more money available to meet the rising cost of education, and to do so affordably.”

The other two members are Broadway and George Hopkins, director of the Arkansas Teacher Retirement System.

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Arkansas sponsors a direct-sold 529 Plan, called the GIFT Plan, and an advisor sold plan, called the iShares 529. The Aspiring Scholars Matching Grant Program offers matching grants for parents who contribute to the GIFT Plan and meet the income requirements.

Broadway noted that in the face of rising college costs and the fact that most jobs that offer chance for advancement require education beyond high school, families need to plan financially for the impact of higher education costs just as students need to plan academically to succeed.

“The Arkansas 529 Plan Committee is working hard to address this with the message to families that you must plan financially for your children’s education,” he said, “and Arkansas sponsors a very affordable, flexible, and easy to use savings plan designed to help Arkansas families do just that.”

More information on the state’s 529 Plans is available online at www.arttreasury.gov, www.thegiftplan.com, and www.ishares529.com, or by contacting Dale Ellis, the Arkansas 529 Project Coordinator at Arkansas Treasury of State at (501) 682-1406 or by email at dellis@arttreasury.gov.